



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Set Public Hearing for July 16, 2014, to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates and Restructured Water Rates for Residential, Commercial and Industrial Customers

**MEETING DATE:** June 4, 2014

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** Set public hearing for July 16, 2014, to consider adopting resolution setting pre-approved Engineering News Record Adjustment Index for wastewater rates and restructure water rates for residential, commercial and industrial customers.

**BACKGROUND INFORMATION:** City Council, on May 7, 2014, approved a program of future wastewater and water rate increases, capped at 3 percent maximum. City Council also approved a restructuring of the usage-based water rates. Prior to that, the City Council, on December 18, 2013, approved a 2.5 percent increase in water rates that became effective January 1, 2014. A Proposition 218 procedure was conducted that validated these actions.

Staff has regularly updated the Wastewater Utility Financial Plan and a copy of the current Financial Plan is attached as Exhibit A. The recommended rate adjustments in the Financial Plan are 2.5 percent beginning July 1, 2014. The rates for this next year, attached as Exhibit B, reflect an increase of 2.5 percent, which is lower than the ENR-based index of 2.6.

City Council is requested to implement the first year of a three-year transition to re-structure the usage-based water rates. By design, the restructured rate schedule is revenue neutral, meaning the same revenue will be collect from the current usage-based water rates as the restructured rates. A summary of the restructured water rates changes is provided below.

1. The monthly base charge, comprised of fixed customer costs and system capacity costs, are allocated as follows. Fixed customer costs (such as meter reading, billing, and customer service) are allocated equally to each customer. Fixed capacity costs (such as debt service, capital expenditures, and system maintenance) are allocated based upon the relative capacity of the meter size. The biggest change here is in the larger meter sizes that were paying disproportionately less based upon the meter size.
2. The commodity charge (cents per cubic foot used) for single-family uses will slightly reduce over time (mostly in the second and third rate tiers) while for non-residential and multi-family uses, it will increase over time. As currently, the non-residential and multi-family will remain on a single tier rate, but the charge will reflect the weighted average rate across the three single-family tiers.

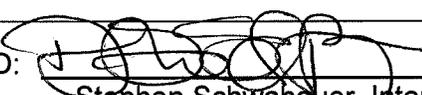
A copy of the current and proposed usage-based water rates is provided in Exhibit C. A copy of the Water Utility Financial Plan is provided in Exhibit D.

**FISCAL IMPACT:** Increased revenues to the wastewater utility are required to keep up with cost of service increases and new mandated costs.

**FUNDING AVAILABLE:** Not applicable.

  
\_\_\_\_\_  
for F. Wally Sandelin  
Public Works Director

Attachments  
cc: Information Systems Manager

**APPROVED:**   
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Stephen Schwabauer, Interim City Manager

**City of Lodi -- Wastewater Utility  
Financial Plan Summary**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>2.5%</b>	<b>2.5%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>WASTEWATER OPERATING FUND (170)</b>						
<b>Beginning Balance</b>	3,240,603	3,811,123	2,239,962	4,374,962	5,277,062	4,876,262
<b>Revenues</b>						
Wastewater Sales	14,118,000	14,499,000	14,890,000	15,292,000	15,705,000	16,129,000
Interest Earnings	37,000	43,000	96,000	171,000	202,000	188,000
Other Revenues	234,400	241,200	248,000	255,900	263,800	271,800
Transfer In for Debt Service (172)	31,000	31,000	110,000	110,000	110,000	110,000
Transfer In for Debt Service (173)	16,000	149,000	150,000	154,000	154,000	154,000
<b>Total Revenues</b>	<b>14,436,400</b>	<b>14,963,200</b>	<b>15,494,000</b>	<b>15,982,900</b>	<b>16,434,800</b>	<b>16,852,800</b>
<b>Expenditures</b>						
Operating Transfers Out (to GF)	-	-	-	-	-	-
Transfer Out to Gen'l Fund (Cost of Services)	1,068,000	1,068,000	1,068,000	1,068,000	1,068,000	1,451,478
Transfer Out to WW Capital Outlay (171)	-	5,900,000	2,500,000	4,000,000	5,500,000	500,000
Administration & Other	1,124,330	1,160,173	1,204,000	1,248,800	1,294,600	1,342,400
Plant Maintenance	3,948,650	3,989,577	4,146,000	4,308,000	4,476,000	4,652,000
Sanitary System Maintenance	611,260	406,782	422,000	438,000	454,000	471,000
Storm Drainage Maintenance	415,710	313,813	327,000	340,000	354,000	368,000
Industrial System Maintenance	23,930	25,016	26,000	27,000	28,000	29,000
2003 Wastewater COP Debt Service	3,050,000	-	-	-	-	-
2004 Wastewater COP Debt Service	98,000	98,000	98,000	98,000	98,000	98,000
2007 Wastewater COP Debt Service	1,604,000	1,603,000	1,607,000	1,606,000	1,614,000	1,617,000
2012 Wastewater Refinancing	1,922,000	1,970,000	1,961,000	1,947,000	1,949,000	1,949,000
<b>Total Expenditures</b>	<b>13,865,880</b>	<b>16,534,361</b>	<b>13,359,000</b>	<b>15,080,800</b>	<b>16,835,600</b>	<b>12,477,878</b>
<b>Ending Balance</b>	<b>3,811,123</b>	<b>2,239,962</b>	<b>4,374,962</b>	<b>5,277,062</b>	<b>4,876,262</b>	<b>9,251,184</b>
Operating Reserve (25%)	2,986,000	2,166,000	2,225,000	2,283,000	2,347,000	2,507,000
Available Balance	825,123	73,962	2,149,962	2,994,062	2,529,262	6,744,184
Debt Service Coverage (min. = 1.20)	<b>1.11</b>	<b>2.18</b>	<b>2.27</b>	<b>2.34</b>	<b>2.39</b>	<b>2.33</b>
without COST	2.33	2.47	2.56	2.64	2.68	2.73
<b>WASTEWATER CAPITAL OUTLAY (171)</b>						
<b>Beginning Balance</b>	9,242,732	7,767,857	52,285	1,113,714	252,143	424,571
<b>Revenues</b>						
Transfer In (from 170)	-	5,900,000	2,500,000	4,000,000	5,500,000	500,000
Other Revenue	96,429	96,429	96,429	96,429	96,429	96,429
<b>Total Revenues</b>	<b>96,429</b>	<b>5,996,429</b>	<b>2,596,429</b>	<b>4,096,429</b>	<b>5,596,429</b>	<b>596,429</b>

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
<b>Expenditures</b>						
Financial System Replacement	250,000	250,000	-	-	-	-
Elm to Pine Alley Sewer/Laurel Storm Project	33,000	-	-	-	-	-
Misc. System Relocations	35,000	35,000	36,000	38,000	39,000	41,000
Misc. Wastewater Taps	40,000	40,000	42,000	43,000	45,000	47,000
Collect. System Capac. Enhanc. Projects	-	-	208,000	22,000	225,000	23,000
Wastewater Main Replac./Lining Proj.	100,000	2,000,000	104,000	2,163,000	-	-
City Hall Annex	-	625,000	-	-	-	-
Storm Drain Trash Handling System	-	700,000	-	-	-	-
Sacramento Street	56,304	-	-	-	-	-
Lodi Lake Pump Station	-	-	-	100,000	1,000,000	-
Lodi Lake Outfall Line	-	-	100,000	-	-	-
Realignment of Domestic & Industrial pipe	-	1,100,000	-	-	-	-
Domestic Trunk Assessment and Rehab	-	-	-	200,000	2,000,000	-
MSC/Kofu Parking Lot	75,000	-	-	-	-	-
Vehicles /Equipment	75,000	545,000	104,000	162,000	169,000	175,000
White Slough Compliance Studies & Rpts	-	-	-	-	-	-
Plant Maint. & Land Applic. Area Improv.	-	270,000	-	-	-	-
Influent Screening Replacement	-	2,000,000	-	-	-	-
UV Disinfection Upgrade	-	300,000	-	-	-	-
Aeration Diffuser Replacement	-	-	-	500,000	-	-
Cloth Filter Media Replacement	30,000	-	31,000	-	34,000	-
Digested Sludge Line to Presses	30,000	-	-	-	-	-
Electrical Upgrades	-	600,000	-	-	-	-
Admin/Ops Building Improvements	-	750,000	-	-	-	-
Rotary Press Maintenance Crane & air compressor	30,000	-	-	-	-	-
Pond Gates	35,000	-	-	-	-	-
Shop Rollup Door	8,000	-	-	-	-	-
Emergency Generator Maintenance	20,000	-	-	-	-	-
Road to Outfall Repair	10,000	-	-	-	-	-
Secondary Scum Trough Drives	12,000	-	-	-	-	-
Misc Paving	10,000	1,000,000	-	-	-	-
SCADA Upgrades/PLC Replacement	-	130,000	-	-	-	-
Primary Chain & Flights	80,000	45,000	-	-	-	-
Effluent Irrigation Improvements	-	-	780,000	1,622,000	-	-
Dewatering screwpress	-	1,200,000	-	-	-	-
Irrigation Conveyance & Pumping Construction	-	-	-	-	1,800,000	-
Micro Turbine	-	1,200,000	-	-	-	-
Fence Repairs/Upgrades	-	-	26,000	-	-	29,000
Anaerobic Digester Painting	90,000	-	-	-	-	-
WSWPCF Building/Restroom Expansion	300,000	-	-	-	-	-
Plant Security Enhancements	130,000	-	-	-	-	-
Miscellaneous Future Projects	100,000	100,000	104,000	108,000	112,000	117,000
Total Expenditures	1,571,304	13,712,000	1,535,000	4,958,000	5,424,000	432,000
<b>Ending Balance</b>	<b>7,767,857</b>	<b>52,285</b>	<b>1,113,714</b>	<b>252,143</b>	<b>424,571</b>	<b>589,000</b>

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
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### WASTEWATER CAPITAL RESERVE (172)

<b>Beginning Balance</b>	3,135,539	3,135,539	3,135,539	3,135,539	3,135,539	3,135,539
<b>Revenues</b>						
Transfer In from 170	-	-	-	-	-	-
Interest Earnings	31,000	31,000	110,000	110,000	110,000	110,000
Total Revenues	31,000	31,000	110,000	110,000	110,000	110,000
<b>Expenditures</b>						
Transfer Out to 170 (for Debt Service)	31,000	31,000	110,000	110,000	110,000	110,000
Total Expenditures	31,000	31,000	110,000	110,000	110,000	110,000
<b>Ending Balance</b>	<b>3,135,539</b>	<b>3,135,539</b>	<b>3,135,539</b>	<b>3,135,539</b>	<b>3,135,539</b>	<b>3,135,539</b>
Restricted Debt Service Reserve	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536
2007 COP Proceeds (w/ fiscal agent)	756,003	756,003	756,003	756,003	756,003	756,003
Cash Deficit (amt. owed for past DS)	-	-	-	-	-	-

### IMF WASTEWATER FACILITIES (173)

<b>Beginning Balance</b>	15,775	148,775	149,775	153,775	153,775	153,775
<b>Revenues</b>						
Wastewater IMF	149,000	149,000	149,000	149,000	149,000	149,000
Interest Earnings	-	1,000	5,000	5,000	5,000	5,000
Total Revenues	149,000	150,000	154,000	154,000	154,000	154,000
<b>Expenditures</b>						
Transfer Out (to 170 for Debt Service)	16,000	149,000	150,000	154,000	154,000	154,000
Total Expenditures	16,000	149,000	150,000	154,000	154,000	154,000
<b>Ending Balance</b>	<b>148,775</b>	<b>149,775</b>	<b>153,775</b>	<b>153,775</b>	<b>153,775</b>	<b>153,775</b>
Owed to Fund 170 for Debt Service	2,199,000	3,010,000	3,823,000	4,631,000	5,444,000	6,259,000

### WW Rate Stabilization Fund (174)

<b>Beginning Balance</b>	500,000	500,000	500,000	500,000	500,000	500,000
Transfer In from 170	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
<b>Expenditures</b>						
Transfer Out to 170	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
<b>Ending Balance</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
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<b>Aggregate End-of-Year Balance</b>	<b>15,363,000</b>	<b>6,078,000</b>	<b>9,278,000</b>	<b>9,319,000</b>	<b>9,090,000</b>	<b>13,629,000</b>
Operating Reserve (25%)	2,986,000	2,166,000	2,225,000	2,283,000	2,347,000	2,507,000
Restricted DS Reserve	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536	2,379,536
2007 COP Proceeds	756,003	756,003	756,003	756,003	756,003	756,003
Rate Stabilization Fund	500,000	500,000	500,000	500,000	500,000	500,000
Net Available for Capital Projects	8,741,461	276,461	3,417,461	3,400,461	3,107,461	7,486,461

<b>City of Lodi -- Wastewater Utility Financial Plan Assumptions</b>						
	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
<b>Financial Assumptions</b>						
General Inflation	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Labor Inflation	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Material/Energy Inflation	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Construction Inflation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Interest Earnings	1.0%	1.0%	3.5%	3.5%	3.5%	3.5%
<b>Cust. Growth (SSUs)</b>	50	50	50	50	50	50
Wastewater Mitigation Impact Fee						
Residential 3/4"	\$ 1,720	\$ 1,720	\$ 1,720	\$ 1,720	\$ 1,720	\$ 1,720
Non-Residential 3/4"	4,225	4,225	4,225	4,225	4,225	4,225

**Exhibit B**  
**City of Lodi -- Wastewater Utility**  
**Current and Proposed Wastewater Rates**

	Current	July 2014
<b>Residential</b>		
<b>Percent Increase</b>		2.5
<b>Flat Rates (\$/month)</b>		
1 Bedroom	\$ 25.83	\$ 26.48
2 Bedroom	\$ 34.44	\$ 35.30
3 Bedroom	\$ 43.05	\$ 44.13
4 Bedroom	\$ 51.66	\$ 52.95
5 Bedroom	\$ 60.27	\$ 61.78
6 Bedroom	\$ 68.88	\$ 70.60
7 Bedroom	\$ 77.49	\$ 79.43
<b>Usage-Based Rates</b>		
Service Charge (\$/month for 3/4" water meter)	\$ 23.52	\$ 24.11
Usage Charge (\$/CCF) (1)	\$ 2.68	\$ 2.75
<b>Non-Residential (\$/month)</b>		
Moderate Strength (per SSU)	\$ 34.44	\$ 35.30
High Strength		
Flow (per MG, annual basis)	\$ 3,487.41	\$ 3,574.60
BOD (per 1,000 lbs, annual basis)	\$ 575.51	\$ 589.90
SS (per 1,000 lbs, annual basis)	\$ 359.85	\$ 368.85
Grease Interceptor & Septic Holding Tank		
Waste within City Limits (per 1,000 gal.)	\$ 304.72	\$ 312.34
Septic (only) Holding Tank Waste		
Outside City Limits (per 1,000 gal.)	\$ 646.89	\$ 663.06
Disposal to Storm Drain System (per MG)	\$ 320.09	\$ 328.09

**Notes:**

(1) Winter water usage determined as average monthly usage from December through February.

**Exhibit C**  
**City of Lodi**  
**Current and Proposed Usage-Based Water Rates**

	Current (Jan. 2014)	Proposed (July 2014)	Future Rate Ceiling				
			Proposed (Jan. 2015)	Proposed (Jan. 2016)	Proposed (Jan. 2017)	Proposed (Jan. 2018)	Proposed (Jan. 2019)
<b>Rate Increase --&gt;</b>		(2)	3.0% (3)	3.0% (3)	3.0%	3.0%	3.0%
<b>USAGE-BASED RATES</b>							
<b>Monthly Service Charge</b>							
Single Family							
Up to 3/4" meter	\$ 24.37	\$ 23.26	\$ 22.80	\$ 21.65	\$ 22.30	\$ 22.97	\$ 23.66
1" meter	\$ 39.57	\$ 37.38	\$ 36.26	\$ 34.01	\$ 35.03	\$ 36.08	\$ 37.16
1 1/2" meter	\$ 77.31	\$ 72.45	\$ 69.63	\$ 64.62	\$ 66.56	\$ 68.56	\$ 70.62
2" meter	\$ 122.78	\$ 114.71	\$ 109.84	\$ 101.52	\$ 104.57	\$ 107.71	\$ 110.94
Multi-Family and Non-Residential (1)							
Up to 3/4" meter	\$ 24.37	\$ 23.26	\$ 22.80	\$ 21.65	\$ 22.30	\$ 22.97	\$ 23.66
1" meter	\$ 39.57	\$ 37.38	\$ 36.26	\$ 34.01	\$ 35.03	\$ 36.08	\$ 37.16
1 1/2" meter	\$ 61.75	\$ 62.08	\$ 64.28	\$ 64.62	\$ 66.56	\$ 68.56	\$ 70.62
2" meter	\$ 77.15	\$ 84.29	\$ 94.17	\$ 101.52	\$ 104.57	\$ 107.71	\$ 110.94
3" meter	\$ 108.01	\$ 132.74	\$ 162.18	\$ 187.65	\$ 193.28	\$ 199.08	\$ 205.05
4" meter	\$ 138.90	\$ 193.14	\$ 254.80	\$ 310.67	\$ 319.99	\$ 329.59	\$ 339.48
6" meter	\$ 200.57	\$ 333.69	\$ 480.82	\$ 617.94	\$ 636.48	\$ 655.57	\$ 675.24
8" meter	\$ 262.31	\$ 494.23	\$ 747.94	\$ 986.82	\$ 1,016.42	\$ 1,046.91	\$ 1,078.32
10" meter	\$ 324.00	\$ 674.61	\$ 1,056.08	\$ 1,417.30	\$ 1,459.82	\$ 1,503.61	\$ 1,548.72
<b>Usage Rates (\$/CCF)</b>							
Single Family							
Tier 1 (0-10 CCF)	\$ 0.94	\$ 0.94	\$ 0.97	\$ 0.96	\$ 0.99	\$ 1.02	\$ 1.05
Tier 2 (11-50 CCF)	\$ 1.41	\$ 1.35	\$ 1.33	\$ 1.27	\$ 1.31	\$ 1.35	\$ 1.39
Tier 3 (>50 CCF)	\$ 1.87	\$ 1.76	\$ 1.70	\$ 1.59	\$ 1.64	\$ 1.69	\$ 1.74
Multi-Family and Non-Residential (1)							
All water usage	\$ 0.94	\$ 1.00	\$ 1.09	\$ 1.14	\$ 1.17	\$ 1.21	\$ 1.25

**Notes:**

- (1) Multi-family includes duplexes, triplexes, fourplexes, apartments, condominiums, and mobile home parks.
- (2) This rate schedule is revenue neutral relative to the proposed newly indexed July 2014 water rates, but includes the beginning of the proposed 3-year phased changes to the rate structure.
- (3) These rate schedules reflect the second and third year of the 3-year rate structure phasing, as well as the maximum potential rate adjustment due to ENR indexing.

**City of Lodi -- Water Utility  
Financial Plan Summary**

	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
	Jan. 2014	Jan. 2015	Jan. 2016	Jan. 2017	Jan. 2018	Jan. 2019
<b>WATER OPERATING FUND (180)</b>						
<b>Beginning Balance</b>	7,038,455	6,734,640	7,795,229	6,711,668	3,287,607	2,910,996
<b>Revenues</b>						
Water Sales	12,716,000	13,059,000	13,412,000	13,807,000	14,286,000	14,744,000
Interest Earnings	136,000	144,000	144,000	99,000	61,000	129,000
Other Revenues	791,070	2,580,400	269,000	272,000	275,000	278,000
Transfer From/(To) RSF (18x)	(500,000)	-	-	-	-	-
Transfer from Fund 182 for Debt Service	-	109,000	109,000	109,000	109,000	109,000
<b>Total Revenues</b>	<b>13,143,070</b>	<b>15,892,400</b>	<b>13,934,000</b>	<b>14,287,000</b>	<b>14,731,000</b>	<b>15,260,000</b>
<b>Expenditures</b>						
Transfer Out to General Fund (Cost of Services)	780,000	780,000	780,000	780,000	780,000	780,000
Transfer Out to Capital Fund 181 for projects To Capital Fund 181 (Depreciation)	4,500,000	6,000,000	6,000,000	8,500,000	5,700,000	1,000,000
Personnel Services	2,093,000	2,028,000	2,098,000	2,170,000	2,244,000	2,320,000
Utilities	755,000	664,000	693,000	723,000	754,000	787,000
Supplies, Mat'ls., Services & Other Debt Service	2,963,000	3,052,000	3,140,000	3,230,000	3,324,000	3,419,000
Net 2010 Rev. Bond Payments	2,355,886	2,307,811	2,306,561	2,308,061	2,305,611	2,307,111
<b>Total Expenditures</b>	<b>13,446,886</b>	<b>14,831,811</b>	<b>15,017,561</b>	<b>17,711,061</b>	<b>15,107,611</b>	<b>10,613,111</b>
<b>Ending Balance</b>	<b>6,734,640</b>	<b>7,795,229</b>	<b>6,711,668</b>	<b>3,287,607</b>	<b>2,910,996</b>	<b>7,557,885</b>
Operating Reserve (25%)	1,648,000	1,631,000	1,678,000	1,726,000	1,776,000	1,827,000
Available Balance	5,086,640	6,164,229	5,033,668	1,561,607	1,134,996	5,730,885
Debt Service Coverage (min. 1.25)	3.25	4.08	3.14	3.20	3.31	3.45
<b>WATER CAPITAL OUTLAY (181)</b>						
<b>Beginning Balance</b>	3,809,103	3,268,379	1,493,379	185,379	308,379	291,379
<b>Revenues</b>						
Operating Transfers In	4,549,755	6,000,000	6,000,000	8,500,000	5,700,000	1,000,000
Interest Earnings	70,000	47,000	17,000	5,000	6,000	8,000
Retrofit Meter Install. Charge	926,000	-	-	-	-	-
Debt Proceeds	-	-	-	-	-	-
<b>Total Revenues</b>	<b>5,545,755</b>	<b>6,047,000</b>	<b>6,017,000</b>	<b>8,505,000</b>	<b>5,706,000</b>	<b>1,008,000</b>
<b>Expenditures</b>						
Water Meter/Main Install. Project	4,780,000	5,487,000	6,177,000	7,264,000	2,848,000	-
Water Taps	75,000	75,000	77,000	79,000	82,000	84,000
Miscellaneous Water Mains	50,000	-	51,000	53,000	54,000	56,000
Commercial Meter Replacements	5,000	5,000	5,000	5,000	5,000	6,000
Financial System Replacement	250,000	250,000	-	-	-	-
City Hall Annex	-	625,000	-	-	-	-
GAC & Meter Repl (DBCP)	324,000	300,000	300,000	300,000	300,000	300,000
UWMP Update	-	-	51,000	-	-	-

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Fire Station 2 Water Main	25,000	-	-	-	-	-
Meter Fixed Network	-	-	-	-	-	-
MSC/Kofu Parking Lot	75,000	-	-	-	-	-
Debenedetti Enclosure	30,000	-	-	-	-	-
Sacramento Street	127,479	-	-	-	-	-
Southwest Gateway Water Tank	-	-	-	200,000	2,000,000	-
Surface Water Treatment Plant PS Generator	-	-	300,000	-	-	-
Well 1	-	-	166,000	-	-	-
Well 2 -Replace Motor	-	-	103,000	-	-	-
Well 6R -Pump Rehab/Repl	116,000	-	-	-	-	-
Well 5 -Pump Rehab & Electrical Upgrade	-	145,000	-	-	-	-
Well 8 -Pump Rehab, Electrical Upgrade & Chlorination	-	245,000	-	-	-	-
Well 10 - Pump Rehab	-	120,000	-	-	-	-
Well 11	-	-	-	175,000	-	-
Well 12 -Pump Rehab/Repl	-	-	-	264,000	-	-
Well 13 -Pump Rehab & Electrical Upgrade	-	135,000	-	-	-	-
Well 14 -Pump Rehab/Repl	-	-	-	-	181,000	-
Well 15 -Pump Rehab/Repl	-	-	-	-	190,000	-
Well 16 -Pump Rehab/Electrical Upgrade	-	-	-	-	-	224,000
Well 17 -Pump Rehab/Electrical Upgrade	-	-	-	-	-	207,000
Well 18 -Pump Rehab/Electrical Upgrade	-	40,000	-	-	-	-
Well 19 -Pump Replacement	4,000	-	-	-	-	-
Well 20 -Pump Rehab/Electrical Upgrade	-	145,000	-	-	-	-
Well 24 - Pump Rehab & Electrical Upgrade	135,000	-	-	-	-	-
Well Site Improvements	-	100,000	-	-	-	-
Vehicles/Equipment	90,000	150,000	95,000	42,000	63,000	45,000
Total Expenditures	6,086,479	7,822,000	7,325,000	8,382,000	5,723,000	922,000
<b>Ending Balance</b>	<b>3,268,379</b>	<b>1,493,379</b>	<b>185,379</b>	<b>308,379</b>	<b>291,379</b>	<b>377,379</b>
<b>IMF WATER FACILITIES (182)</b>						
<b>Beginning Balance</b>	(6,846)	52,399	53,399	54,399	55,399	56,399
<b>Revenues</b>						
Water Impact Mitigation Fees	109,000	109,000	109,000	109,000	109,000	109,000
Interest Earnings	-	1,000	1,000	1,000	1,000	1,000
Total Revenues	109,000	110,000	110,000	110,000	110,000	110,000
<b>Expenditures</b>						
Transfer to Fund 181 for Well 27	49,755	-	-	-	-	-
Transfer to Operations Fund 180 for Debt Service	-	109,000	109,000	109,000	109,000	109,000
Total Expenditures	49,755	109,000	109,000	109,000	109,000	109,000
<b>Ending Balance</b>	<b>52,399</b>	<b>53,399</b>	<b>54,399</b>	<b>55,399</b>	<b>56,399</b>	<b>57,399</b>
Owed Fund 180 for Debt Service	5,345,000	6,775,000	8,204,000	9,634,000	11,062,000	12,491,000

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
<b>WATER RATE STABILIZATION (18x)</b>						
<b>Beginning Balance</b>	-	500,000	500,000	500,000	500,000	500,000
<b>Revenues</b>						
Transfer In from 180	500,000	-	-	-	-	-
Total Revenues	500,000	-	-	-	-	-
<b>Expenditures</b>						
Transfer Out to 180	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
<b>Ending Balance</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>

<b>Aggregate End-of-Year Balance *</b>	<b>12,411,000</b>	<b>11,698,000</b>	<b>9,307,000</b>	<b>6,007,000</b>	<b>5,615,000</b>	<b>10,349,000</b>
Operating Reserve (25%)	1,648,000	1,631,000	1,678,000	1,726,000	1,776,000	1,827,000
Restricted DS Reserve	2,356,000	2,356,000	2,356,000	2,356,000	2,356,000	2,356,000
2010 COP Proceeds	-	-	-	-	-	-
Rate Stabilization Fund	500,000	500,000	500,000	500,000	500,000	500,000
Net Available for Capital Projects	7,907,000	7,211,000	4,773,000	1,425,000	983,000	5,666,000

**City of Lodi -- Water Utility  
Financial Plan Assumptions**

<b>Financial Assumptions</b>											
General Inflation		3.0%		3.0%		3.0%		3.0%		3.0%	
Labor Inflation		3.4%		3.4%		3.4%		3.4%		3.4%	
Material/Energy Inflation		4.5%		4.5%		4.5%		4.5%		4.5%	
Construction Inflation		2.5%		2.5%		3.0%		3.0%		3.0%	
Interest Earnings		2.0%		2.0%		2.0%		2.0%		2.5%	
<b>Customer Account Assumptions</b>											
No. of DUs/Accounts		23,506		23,556		23,606		23,656		23,706	
No. of 3/4" Eq. Mtrs.		25,554		25,604		25,654		25,704		25,804	
No. of New Connections		50		50		50		50		50	
Customer Growth Rate		0.20%		0.20%		0.19%		0.19%		0.19%	
Water Mitigation Impact Fee											
	Residential	\$	1,263	\$	1,263	\$	1,263	\$	1,263	\$	1,263
	Non-Residential		3,103		3,103		3,103		3,103		3,103



**Please immediately confirm receipt  
of this fax by calling 333-6702**

CITY OF LODI  
P. O. BOX 3006  
LODI, CALIFORNIA 95241-1910

**ADVERTISING INSTRUCTIONS**

**SUBJECT: PUBLIC HEARING SETTING PRE-APPROVED ENGINEERING NEWS RECORD INDEX FOR WASTEWATER RATES AND RESTRUCTURED WATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS**

**PUBLISH DATE: SATURDAY, JUNE 7, 2014**

**LEGAL AD**

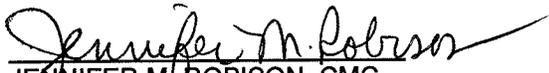
**TEAR SHEETS WANTED: One (1) please**

**SEND AFFIDAVIT AND BILL TO:  
LNS ACCT. #0510052**

RANDI JOHL-OLSON, CITY CLERK  
City of Lodi  
P.O. Box 3006  
Lodi, CA 95241-1910

**DATED: THURSDAY, JUNE 5, 2014**

**ORDERED BY: RANDI JOHL-OLSON  
CITY CLERK**

  
JENNIFER M. ROBISON, CMC  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MARIA DITMORE  
ADMINISTRATIVE CLERK

**Verify Appearance of this Legal in the Newspaper – Copy to File**

LNS Faxed to the Sentinel at 369-1084 at \_\_\_\_\_ (time) on \_\_\_\_\_ (date) \_\_\_\_\_ (pages)  
Phoned to confirm receipt of all pages at \_\_\_\_\_ (time) \_\_\_\_\_ MD \_\_\_\_\_ JMR (initials)



## DECLARATION OF POSTING

### **PUBLIC HEARING SETTING PRE-APPROVED ENGINEERING NEWS RECORD INDEX FOR WASTEWATER RATES AND RESTRUCTURED WATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS**

On Thursday, June 5, 2014, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing setting pre-approved Engineering News Record index for wastewater rates and restructured water rates for residential, commercial, and industrial customers (attached and marked as Exhibit A) was posted at the following locations:

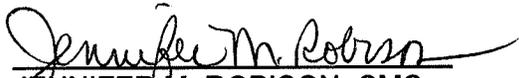
Lodi City Clerk's Office  
Lodi City Hall Lobby  
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 5, 2014, at Lodi, California.

ORDERED BY:

**RANDI JOHL-OLSON  
CITY CLERK**

  
\_\_\_\_\_  
JENNIFER M. ROBISON, CMC  
ASSISTANT CITY CLERK

\_\_\_\_\_  
MARIA DITMORE  
ADMINISTRATIVE CLERK



# CITY OF LODI

Carnegie Forum  
305 West Pine Street, Lodi

## NOTICE OF PUBLIC HEARING

Date: July 16, 2014

Time: 7:00 p.m.

For information regarding this notice please contact:

**Randi Johl-Olson,**  
City Clerk  
Telephone: (209) 333-6702

EXHIBIT A

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, July 16, 2014**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) **Resolution setting pre-approved Engineering News Record index for wastewater rates and restructured water rates for residential, commercial, and industrial customers.**

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2<sup>nd</sup> Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

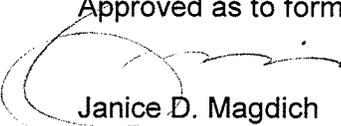
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

  
Randi Johl-Olson  
City Clerk

Dated: **June 4, 2014**

Approved as to form:

  
Janice D. Magdich  
Interim City Attorney